Policy *142* Version 1 *08/25/17*

**Policy Change Cover Sheet**

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| **This form must be attached to each policy presented. All areas in red, including the header, must be completed; if not, it will be sent back to you for completion.** |
|  | *I****f the changes you are requesting include housekeeping, please submit those changes to*** ***ndsu.policy.manual@ndsu.edu*** ***first so that a clean policy can be presented to the committees.*** |
| **SECTION**:  | Policy Number and Name 142 Retirement Plans |
| 1. **Effect of policy addition or change (explain the important changes in the policy or effect of this policy). Briefly describe the changes that are being made to the policy and the reasoning behind the requested change(s).**
 |
| * Is this a federal or state mandate? [ ]  Yes [x]  No
* Describe change: This is a clean-up from the change made in Policy 101 Personnel Definitions in 2.1.2 Part-time Employee due to the Affordable Care Act. Also, there is a name change to the retirement provider from TIAA CREF to TIAA.
 |
| 1. **This policy change was originated by (individual, office or committee/organization):**
 |
| * Office/Department/Name and the date submitted HR and Payroll/Colette Erickson
* Email address of the person who should be contacted with revisions Colette.erickson@ndsu.edu
 |
| ***This portion will be completed by Mary Asheim.***Note: Items routed as information by SCC will have date that policy was routed listed below. |
| 1. **This policy has been reviewed/passed by the following (include dates of official action):**
 |
| **Senate Coordinating Committee:** | 9/14/17 |
| **Faculty Senate:** |  |
| **Staff Senate:** |  |
| **Student Government:** |  |
| **President’s Cabinet:** |  |

The formatting of this policy will be updated on the website once the **content** has final approval. Please do not make formatting changes on this copy. If you have suggestions on formatting, please route them to ndsu.policy.manual@ndsu.edu. All suggestions will be considered, however due to policy format guidelines, they may not be possible. Thank you for your understanding!

**North Dakota State University
Policy Manual
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**SECTION 142
RETIREMENT PLANS**

#### SOURCE: NDSU PRESIDENTNDUS Human Resource Policy Manual, Section 10ND Century Code 54-52.1-03.2

1. North Dakota law requires regular employees who are 18 years of age or older and work 20 hours or more per week for 5 months or more a year to participate in a retirement plan.
	1. Faculty are generally considered ~~half-time~~ *to be a regular employee* and covered under [TIAA](http://www.tiaa-cref.org/) *if she/he teaches 7.5 or more credits for two or more consecutive semesters* ~~when they teach 6 semester credit hours or more or are otherwise considered half-time by their respective college for at least two consecutive semesters.~~
2. All non-professional, staff employees (technical/para-professional, office, crafts/trades, and service bands) will participate in the North Dakota Public Employees Retirement System (NDPERS).

2.1 The cost of this retirement plan, which amounts to 15.26% percent of gross salary, is funded as indicated below:

 NDSU = 12.26%

 Employee = 3%

1. All faculty, other academic staff, administrators, and professional staff employees will participate in a Teachers Insurance and Annuity Association - College Retirement Equities Fund [(TIAA)](http://www.tiaa-cref.org/) retirement plan which has been approved by the State Board of Higher Education. (A copy of the most recent plan document may be obtained from the Office of Human Resources/Payroll.)

3.1 In lieu of participation in the TIAA retirement plan, eligible employees having accrued retirement benefits under the North Dakota Public Employees' Retirement System (PERS) may elect to continue participation in PERS. A PERS participant who later qualifies for participation in TIAA may elect to become a participant by making such election within sixty days of being transferred or placed in a different band. In absence of such election, the right of participation is irrevocably waived. Eligible employees who have accrued retirement benefits under the TIAA plan, and who later qualify for participation in PERS, may within sixty days of the transfer or placement in a different band elect to continue participation in TIAA in lieu of participation in the PERS retirement plan. In absence of such election, the right of participation is irrevocably waived.

3.2 Teaching and research faculty with rank of assistant professor or instructor, research personnel and lecturers with equivalent rank, and professional staff (3000 band) participate in the [TIAA](http://www.tiaa-cref.org/) plan as of the date of first employment at an employee-employer contribution rate of 11 percent (3.5 percent employee contribution, 7.5 percent employer contribution); after two years of service the rate shall be 17 percent (4.5 percent employee contribution, 12.5 percent employer contribution); after ten years of service the rate shall be 18 percent (5 percent employee contribution, 13 percent employer contribution).

3.3 Teaching and research faculty with rank of professor or associate professor, research personnel with equivalent rank, and executive and administrative staff (1000 band) participate in the [TIAA](http://www.tiaa-cref.org/) plan as of the date of first employment at an employee-employer contribution rate of 17 percent of contract salary (4.5 percent employee contribution, 12.5 percent employer contribution). After 10 years of service, the total contribution rate shall be 18 percent (5 percent employee contribution, 13 percent employer contribution).

3.4 Employees shall be given credit for years of service during which they accrued retirement benefits under NDPERS, TFFR, and/or [TIAA](http://www.tiaa-cref.org/). Credit for [TIAA](http://www.tiaa-cref.org/) years of service shall also include credit earned at other institutions, including out-of-state institutions, provided employee has a current [TIAA](http://www.tiaa-cref.org/) contract (i.e. was not repurchased).

3.5 Each employee must designate the percentage basis for allocating their premiums between [TIAA](http://www.tiaa-cref.org/), which provides a fixed amount of future retirement income, and the [CREF](http://www.tiaa-cref.org/) accounts, which provide variable annuities. This percentage election may be changed at any time by calling 1-800-842-2776 or by making election changes in the individual’s online TIAA account.

3.6 All contributions (both employer and employee) will be made on a tax-sheltered basis. When tax-sheltering, the employee does not pay income tax on the contributions until the funds are withdrawn from the retirement program.

3.7 Each employee may also tax-shelter additional salary without matching funds from the University to a Tax Sheltered Annuity by payroll reduction.

3.8 The employee-employer total contribution is forwarded to [TIAA](http://www.tiaa-cref.org/). The employee's contribution is from semi-monthly compensation based on a regularly executed contract.

3.9 Early retirement under the [TIAA](http://www.tiaa-cref.org/) retirement plan is permitted when employment ceases prior to age 59 1/2 with an approved Early Retirement Agreement.

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HISTORY:
New July 1990

Amended April 1992

Amended June 1994

Amended August 1997

Amended July 1999

Amended November 2005

Housekeeping December 2010

Housekeeping January 31, 2011

Housekeeping April 23, 2012

Housekeeping April 4, 2013

Housekeeping January 17, 2014